



Congressman Jim Jordan (R-OH), Chairman

February 24, 2010

Davis-Bacon Program Puts “Stimulus” Weatherization Program *Way* Behind Schedule

The “stimulus” bill included \$5 billion for a weatherization program, the goal of which is to make 593,000 homes more energy efficient by March 2012. But through the end of last year, just 9,100 homes had actually been weatherized. This means that the program is just 1.5% toward its stated objective. The cause of the delay? Congress subjected the program to Davis-Bacon regulations, which in turn meant that the Department of Labor had to determine prevailing wage rates for weatherization jobs under the program in more than 3,000 counties before the money could be used for its intended purpose. While the economy continued to lose jobs at an alarming pace, it took the Department of Labor most of 2009 just to make these calculations. Liberal commentator Mickey Kaus aptly points out the absurdity of this policy: “That’s OK. **It’s not as if speed was important last year in terms of putting people to work.** ... Oh wait, it was.”

The Davis-Bacon Act of 1931 requires the federal government to pay above market rates on federally funded or federally assisted construction jobs. In other words, the Davis-Bacon Act requires taxpayers to pay *more* for a project than it would cost absent the law. The law further destroys jobs by increasing the cost of employing each worker, and destroys opportunities for minorities, small firms, and less-skilled workers.

\$25 Million of “Stimulus” Spending for Airport Scanners Sitting in Storage

The \$862 billion “stimulus” bill included \$25 million for airport screening. More than one year after passage of the “stimulus” not one scanner has actually been installed. According to *Politico*, it took more than seven months for the scanners to even be ordered, and now they are sitting in storage somewhere while the Department of Homeland Security decides what to do with them.

DHS spokeswoman Amy Kudwa notes: “We have not outlined our deployment schedule as yet... We’re very actively working on a deployment plan. That process has not been completed.”

Despite the total lack of progress on making use of this money, *Politico* notes that Homeland Security Secretary Janet Napolitano marked the one-year anniversary of the “stimulus” by visiting the Ronald Reagan Washington National Airport, where she inspected a scanner. The only problem is that the scanner had been installed before President Obama took office.

Spokeswoman Amy Kudwa notes, the process “just simply takes time whenever you’re deploying airport technology.” It can be argued that similar logic leads to delays in implementing most federal programs, which is why House conservatives offered an alternative economic growth plan (H.R. 470) that would have deployed tax cuts instead of government spending.

Quote of the Week: “My administration has also begun to go line by line through the federal budget in order to eliminate wasteful and ineffective programs.”

-President Obama, 2/24/09

CBO: Federal Deficit at \$430 Billion Through First Four Months of FY 2010

According to CBO, the federal deficit is \$430 billion through the first four months of FY 2010. This is \$40 billion or 10.1% above the deficit through the first four months of FY 2009—which was the highest deficit in U.S. history (\$1.4 trillion). Only twice in U.S. history (2008 and 2009) has the final deficit for *the year* exceeded the deficit through just the first *four months* of FY 2010. The increased deficit spending is due both to higher spending (up 4% compared to last year) and to lower revenues (down 11%) due to the weak economy.

For more information, please contact Brad Watson at x69719